(c) whether the orders of release of funds as in (a) have since been issued;

(d) whether instructions for utilisation of such funds with proper publicity have been issued by Government; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Prime Minister during his visit to Himachal Pradesh in the month of December, 1999, had announced a package of Rs. 400 crore to Himachal Pradesh comprising of Rs. 100 crore as additional grant for Basic Minimum Services, Rs. 100 crore additional central assistance for Annual Plan 1999-2000 and Ways and Means Advance of Rs. 200 crore to be provided during the current financial year. Out of the Ways and Means Advance of Rs. 200 crore, a sum of Rs. 100 crore shall be recovered in the next financial year i.e. 2000-01. This assistance will enable the State Government to realise the plan size approved by the Planning Commission and will help the State improve their financial condition, so that developmental schemes can be implemented smoothly.

(c) Yes, Sir.

(d) and (e) The States are autonomous under the Constitution to take measures of their preference from time to time for improving their financial conditon. For the releases made under the State Plan, the State Governments are accountable to their State Legislatures for proper utilisation of funds through the State Audit Reports prepared by the CAG of India under Article 151(2) of the Constitution. However, if there is shortfall in plan expenditure as against approved/revised plan outlays, a proportionate cut is made from the Central assistance released to the State.

Functioning of NBFCs in U.P.

2259. SHRI RAJNATH SINGH 'SURYA': Will the Minister of FINANCE be pleased to State:

(a) whether all non banking financial companies based in U.P. are functioning strictly as per the guidelines/rules laid down by the RBI;

(b) whether there are any complaints against them;

(c) if so, the details of these companies;

(d) what action is being taken or proposed to be taken against them; and

(e) what is the position in this regard in respect of one managed by the Sahara group?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Reserve Bank of India (RBI) has reported that most of the Non- Banking financial Companies (NBFCs) based in U.P. are generally functioning as per the prescribed guidelines. RBI has received com- plaints for non-payment of deposits and also for non-compliance of RBI guidelines by some companies. The names of the companies against whom a number of complaints have been received and action has been taken by RBI are as under:—

1. Rapti Growth Fund Ltd.
2. Galaxy Growfin Ltd. (RNBC)
3. Galaxy Finlease Ltd.
4. Galaxy Mutual Benefit Co. Ltd. (Nidhi)
5. Moulik Finance and Resorts Ltd. (RNBC)
6. Moulik Leasing Ltd.
7. Moulik Mutual benefit company Ltd.
8. Apace India Corporation Ltd. (RNBC)
9. Apace savings and Mutual benefit Co. Ltd. (NBFC)
10. A.P.S. Nidhi and Finance Ltd. (Nidhi)
11. Incan Mutual benefit Ltd.
12. Crystal Credit Corporation Ltd.
13. Krishi Export Commerical Corporation Ltd.
14. Kuber Mutual Benefit Ltd.

RBI initiates adverse action against errant NBFCs for various defaults and contraventions of provisions of RBI act and Directions issued thereunder. Adverse action depends on the nature of default and involves issuing prohibitory orders prohibiting them from accepting further deposits and from alienation of assets filing winding up petitions, launching criminal proceedings against NBFCs and their managements.

(e) Presumably the reference is to Sahara India Financial Corporation Ltd., a Residuary Non-Banking Finance Company (RNBC), registered with RBI.

RBI has reported that it has not received complaints against the company for non-repayment of deposits from the public. RBI has also reported that company has generally complied with the RNBC directions.

Limit of foreign currency taken abroad

2060. SHRI RAJNATH SINGH 'SURYA': Will the Minister of FINANCE be pleased to state:

(a) whether the limit of foreign currency to be taken abroad by an individual has been raised from 2500 US$ to 5000 US$;

(b) if so, the reasons therefor;

(c) whether the Customs Department has been requested formally or informally, to review this decision; and

(d) if so, whether Government propose to reconsider it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) As per para 8A. 1(f) of Exchange Control Manual 1993 an authorised dealer can release exchange to the traveller going abroad in the form of foreign currency notes and coins upto US$ 500 or its equivalent subject to the traveller's overall foreign exchange entitlement. Exchange in the form of foreign currency notes and coins may, however, be sold upto the full entitlement of the travellers proceeding to Islamic Republic of Iran, Russian Federation and other Republic of Commonwealth of Independent states. Exchange in the form of foreign currency notes may also be sold to businessmen visiting Iraq or Libya for a period not exceeding two weeks.

Shipping Agencies engaged in syphoning of funds illegally

2061. SHRIMATI MALTI SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the individuals working in shipping agencies are indulging in illicit practices like hawala, to syphon of funds from the country;

(b) if so, whether Government are aware that the individual working as chief executive in Oceanic shipping Agency Private Ltd., 7, Kumpta Street, Ist floor, Ballard state, Mumbai, has syphoned funds upto 100 crores through hawala;